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PUBLIC SERVICE
COMMISSION

DEFENDANT

) CASE NO. 2002-003

identified Greenup's new 2,000,000 gallon per day treatment plant as the best alternative to alleviate the water shortage.

5. The City was undertaking an expansion, denominated the "Phase VI Expansion" through the receipt of grant funds of its water supply in and around the City of Greenup.

6. On April 7, 1998, South Shore made application for a wholesale water supply before the Greenup City Council. At that meeting, the City Clerk read the entire wholesale water application into the minutes, and the application was accepted and approved by the City Council. The minutes of the April 7, 1998 meeting were subsequently approved at the next City Council meeting.

7. As a result of the South Shore wholesale water application, the City amended its grant request and subsequently received and accepted \$1.7 million in grants for its Phase VI Expansion, which expansion included in part specific water lines and taps to meet the request for service by South Shore as set forth in its April 7, 1998 Application.

8. The City received the grant funds referred to in paragraph 7 above, and proceeded to construct and complete its Phase VI Expansion, which expansion included the installation of water mains to South Shore, as well as water taps for wholesale water hookup.

9. As the Phase VI Expansion was being constructed by the City, the City further required a \$5,000 tap fee from South Shore for the anticipated connections to the water mains being constructed. South Shore agreed to the tap fee and subsequently paid the \$5,000 tap fee to the City.

10. In October 1998, in reliance upon the April 7, 1998 application, the acceptance of that application by the City Council, and the subsequent application and receipt of funds for the Phase VI Expansion, South Shore began constructing a reservoir, at a higher elevation than

would otherwise have been required, specifically to handle the backup water supply necessary to meet the needs of South Shore's customers. The reservoir was designed to handle the City's higher water pressure.

11. In November-December, 1998, South Shore invested an additional \$23,069 in the reservoir referred to in paragraph 10 above.

12. In May 1999, South Shore invested an additional \$1,859 on the reservoir referred to in paragraph 10 above.

13. In July 2000, South Shore completed its investment in the reservoir with additional monies totaling \$15,502.

14. The total invested by South Shore for the reservoir was \$90,450.

15. At all times during South Shore's initial investment and construction of the reservoir, the City of Greenup knew and was aware of South Shore's investment and South Shore's reliance upon the City's commitment and obligation to supply backup wholesale water for the South Shore system and its customers.

16. In July 2001, the City completed construction of the water main to South Shore (at a cost of approximately \$250,000), and the taps for the connection between the City's water lines and the South Shore system were installed and completed.

17. In November 2001, a dispute developed between the City and South Shore regarding the minimum water usage to be required of South Shore (such minimums having been included in the April 7, 1998 application), and a further dispute arose regarding the billing rate to be imposed by the City on South Shore.

18. Upon being advised by South Shore that the dispute would have to be resolved by the Kentucky Public Service Commission, the City indicated that it would not be willing to sell water to South Shore.

19. South Shore and the City had a contract expressed and implied as a result of the allegations set forth in paragraphs 4-18 above.

20. The City is estopped to deny the existence of a contract because of the reliance by South Shore in constructing the reservoir and other justifiable reliance upon the contract.

21. The City is further estopped to deny the existence of a contract because it made representations to various governmental agencies regarding its obligations to provide South Shore with water, and received funds from those agencies in reliance upon those representations.

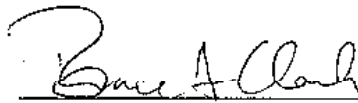
22. The City is further estopped to deny the existence of a contract between South Shore and the City because the City utilized approximately \$250,000 of grant funds to install water lines to South Shore and install two water taps that can only be used by South Shore.

23. The City is unable to deny the contract because of its concern over jurisdiction by the Public Service Commission because, in 1994, in the case of *Simpson County Water District v. City of Franklin, Ky.*, 872 S.W.2d 460 (1994), the Kentucky Supreme Court held that the Public Service Commission does have jurisdiction over these contracts. Accordingly, the City should have been on notice, and as a legal matter, it must be deemed to have notice of the jurisdiction of the Public Service Commission during all dates which are involved in this controversy.

24. The Public Service Commission has jurisdiction over the agreement between South Shore and the City, and is empowered to determine and adjudicate the appropriate minimum water usage and water rates to be imposed by the City for South Shore's water usage.

WHEREFORE, pursuant to KRS 278.260, South Shore Water Works Co. files and makes this Complaint against the City of Greenup, and requests the Public Service Commission to assume jurisdiction of the Complaint, and grant such relief as may be authorized hereunder, including but not limited to the determination of the minimum usage requirement under the contract between South Shore and the City, and the minimum wholesale rate to be imposed.

Respectfully submitted,

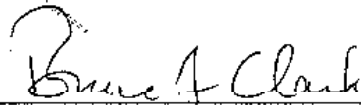


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COUNSEL FOR SOUTH SHORE WATER
WORKS CO.

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing has been served on the parties of record herein, by mailing a copy of same to the following, this 28th day of January, 2002:

Luke Bentley, Esq.
City Attorney
East Main Street
Greenup, KY 41144



Bruce F. Clark

573-3390 X299
7260

L - whobert contract to take over APP. DEV.
for PSC?

SYSTEMS DEVELOPMENT SERVICES CONTRACT

PRIMARY VENDOR CONTACTS

REVISION DATE: July 1, 1999

SAS contractors

2 - Do SAS contractors perform some function as EER, etc?

VENDOR:	CONTRACT #:	PRIMARY CONTACT:
Analysts International Corp.	BP010179	Mitzi Shepherd 2365 Harrodsburg Rd., Suite B450 Lexington, KY 40504 Ph: (606) 223-0001 or (800) 279-8433 Fax: (606) 224-4389 mishepherd@analysts.com
EER Systems, Inc.	BP010182	Ray Stone 401 Old Trenton Rd. Clarksville, TN 37040 Ph: (931) 645-9207 or (888) 564-8226 Fax: (931) 647 1723 stoner@eer.com
Lockheed Martin Federal Systems	BP010195	Walt Schroeder 7260 Shadeland Station, Suite 150 Indianapolis, IN 46256-3945 Ph: (317) 596-6022 Fax (317) 596-6024 walt.schroeder@lmco.com
Metro Information Services Hoyden C-99000499	BP010180 Carol	Chris Kearney 1717 Dixie Hwy, Suite 920 Fort Mitchell, KY 41011 Ph: (606) 341-9770 or (800) 341-9770 Fax (606) 341-9708 ckearney@metrois.com
Romac International, Inc. KFORCEE not or for how to use in the meeting this PM?	BP010181 Shawn Cooper C-99000501	Jeff Wright 4965 US Hwy 42, Suite 2900 Louisville, KY 40222 Ph: (502) 339-2900 or (800) 682-9784 Fax: (502) 339-2888 jwright@romac.com
SCB Computer Technology, Inc.	BP010183	James H. Tucker 618 Grassmere Park Rd., Suite 6 Nashville, TN 37228-1515 Ph: (615) 832-8175 x2983 or (800) 221-9525 x2983 Fax: (615) 832-1708 or (800) 236-1158 jhtucker@scb.com

Birbner
Amy Monroe
4-4510

SYSTEMS DEVELOPMENT SERVICES
PROVIDER RATE SUMMARY (RATE/HOUR)
EFFECTIVE July 1, 1999

BD

COMMONWEALTH OF KENTUCKY

RECEIVED

BEFORE THE PUBLIC SERVICE COMMISSION

FEB 07 2002

In the Matter of:

PUBLIC SERVICE
COMMISSION

Randall C. Stivers,
Complainant

vs.

Henry County Water District, No. 2
Defendant

CASE NO. 2002-00045

COMPLAINT

The Complaint of Randall C. Stivers respectfully shows:

1) That the name, main occupation and Post Office address of Complainant is:

Randall C. Stivers, Real Estate Developer, PO Box 401 Shelbyville, Kentucky 40066-0401 (hereinafter "Stivers").

2) Ben M. Pollard and Joan H. Pollard ("The Pollards"), 17159 Tam O'Shanter Drive, Poway, California 92064, are the Trustees under Declaration of Trust No. 1982-1 dated February 3, 1982 and hold the fee simple title to the property in question which is described in the deed attached hereto as Exhibit A and incorporated herein (hereinafter the "Property").

3) Randall C. Stivers is the purchaser of the Property under an executory contract dated July 16, 2001.

4) The Property lies within the territorial boundaries of Defendant.

5) Defendant is currently serving customers in the exact same location as the Property.

6) Defendant has existing water mains running along all of the road frontage of the Property on Kentucky Highway 43, Magruder-Shipman Road, and Flood Road.

7) Defendant's line along Kentucky Highway 43 is part of a looped 6 inch line. It was recently upgraded by an additional 6-inch water main on Magruder-Shipman Road. Defendant's system has adequate existing capacity to provide domestic water service to all of the Property fronting on Kentucky Highway 43 and Magruder-Shipman Road, and on Flood Road when Defendant constructs at Stiver's expense an adequately sized water main on Flood Road.

8) Defendant's existing water system in front of the Property on Kentucky Highway 43 and Magruder-Shipman Road currently serves at least one fire hydrant in Cropper, providing 250 gallons per minute of flow at a minimum residual pressure of 20 p.s.i. (hereinafter "Adequate Fire Flow").

9) Defendant's existing water system can supply Adequate Fire Flow to the additional fire hydrants necessary to serve the Property and to be installed on the existing main(s) along Kentucky Highway 43 and Magruder-Shipman Road, and on any adequately sized mains constructed within the Property or along Flood Road which are connected to the looped main(s) along Kentucky Highway 43.

10) Unless altered by the commission as a result of this proceeding, or unless Defendant's territory including the Property is deannexed by the Shelby County Judge/Executive, Defendant has a monopoly over water service to the Property.

11) Shelby County, Kentucky has adopted countywide planning and zoning.

12) Pursuant to KRS Chapter 100 real estate cannot be subdivided and sold without the approval of a subdivision plat.

13) It is a requirement of the Triple S Planning and Zoning Commission (the "Zoning Board") that Defendant sign off on subdivision plats certifying "that the proposed subdivision shown hereon lies within the service area of the Henry County Water District No. 2 and that said utility has the capacity to supply water to the proposed subdivision, subject to the water distribution system being installed within said subdivision according to the requirements of this agency [HCWD#2] and all other requirements that may apply."

14) The Property consists of two farms located in the vicinity of Cropper, Kentucky. One farm, consisting of approximately 222.41 acres, is Tract No. 1 as described in Exhibit A attached hereto and lies northeast of Cropper, fronting on the north side of Cropper Road (Kentucky Highway 43) and the west side of Magruder-Shipman Road (hereinafter referred to as the "North Farm"). The second farm, consisting of a total of 113.9 acres, is described in Tract No. 2 and Tract No. 3 in Exhibit A, attached hereto. This farm lies east and southeast from Cropper, fronting on the south side of Cropper Road (Kentucky Highway 43) and both sides of Flood Road (hereinafter referred to as the "South Farm").

15) The Property has been owned by the Pollard family, Ben M. Pollard's ancestors, for more than 160 years.

16) On or about January 25, 2001 the Pollards submitted three plats to Defendant and requested that Defendant execute the certification of availability of water services contained thereon. Those plats consisted of the Minor Plat of the Pollard Farm - South Division, dated January 22, 2001, a copy of which is attached hereto as Exhibit B, the Final Plat of the Agricultural Division of the Pollard Farm - South Division, a copy

of which is attached hereto as Exhibit C, and the Final Plat of the Agricultural Division of the Pollard Farm – North Division, dated January 25, 2001, a copy of which is attached hereto as Exhibit D. The plats had already been signed by all other required utilities and entities except Defendant.

17) In response to these submissions, the Pollards received from Defendant a letter dated January 25, 2001, a copy of which is attached hereto as Exhibit E.

18) In response to Exhibit E, the Pollards executed and tendered to Defendant a completed Analysis Request Form for Contractor and the required \$300.00 fee as shown on Exhibit F.

19) Upon information and belief, the water main on Flood Road in front of the South Farm may be inadequate in size to serve the proposed development. Neither Stivers nor the Pollards have ever been formally notified of this or received a proposed contract or an estimate of the cost of upgrading the water main for the South Farm.

20) Stivers later presented Defendant with two more plats dated October 29, 2001 and requested that Defendant sign these plats. A copy of this revised Minor Plat of the Pollard Farm – South Division is attached hereto as Exhibit G, and a copy of this revised Agricultural Division Plat of the Pollard Farm – South Division is attached hereto as Exhibit H. These plats pertained to the south farm on Flood road. The lots depicted thereon superceded lots 24 through 32 as shown on the previous two plats attached hereto as Exhibits B and C. The purpose of the new plats was to add three more lots. When submitted to Defendant these two new plats had also already been signed by all other required utilities and entities.

21) Upon information and belief, Defendant's water main running along Cropper Road (Kentucky Highway 43) and Magruder-Shipman Road is adequate to serve the proposed lots which would receive service from that water main. Those lots consist of Tracts 17, 18, 19, 20 and 21 of the South Farm (see Exhibit C) and all of the lots of the North Farm (see Exhibits D, J, and K).

22) Defendant demanded that the Pollards sign the line improvement contract, attached hereto as Exhibit I, prior to Defendant signing the Exhibit D plat. This contract would require the Pollards to pay \$8,201.20 to reimburse Defendant for the cost of construction of the already existing water main on Magruder-Shipman Road. There is no provision of Defendant's tariff, no P.S.C. regulation, no Kentucky statutory authority, or any other law which would permit Defendant to require Stivers or the Pollards to pay any part of the cost of installing an already existing and adequately sized water main.

23) On or about January 7, 2002 Stivers presented two revised North Farm plats to Defendant's authorized representative for signing. A copy of this revised Minor Plat of the Pollard Farm - North Division dated January 2, 2002 is attached hereto as Exhibit J, and a copy of this revised Final Plat of the Pollard Farm - North Division dated January 3, 2002, is attached hereto as Exhibit K. Defendant's authorized representative is Donald Heilman (hereinafter "Heilman"). On January 7, 2002 Heilman stated to Stivers, "This farm is in Shelby County and when it takes away the hydraulic pressure I have to answer to my customers here", and "They (P.S.C.) have said to sign these plats but I'm not going to do it".

24) Upon information and belief, Defendant is signing plats in Henry County. Defendant is unlawfully discriminating against these developments because they are in Shelby County.

25) Defendant's "Procedures and Requirements for the Development of Water Line Extensions to be Connected to the Henry County Water District No. 2 System" (hereinafter "Procedure and Requirements"), a copy of which is attached as Exhibit L, contains the only requirements in Defendant's Tariff for signing subdivision plats. Page three sets forth three requirements. None of these requirements apply to the Exhibit D, J, and K plats because no water main extension or upgrade is required along Kentucky Highway 43 and Magruder-Shipman Road. If the existing water main on Flood Road is adequate to serve the proposed development on that road, then none of these requirements apply to the Exhibit B, C, G and H plats for the same reason.

26) Defendant has refused to sign any of the plats attached hereto as Exhibits B, C, D, G, H, J and K, has provided no justification for that action, and has refused to provide the Pollards and Stivers with water service for the proposed development shown on these plats. Defendant's refusal to sign the plats has prevented Stivers and the Pollards from obtaining approved subdivision plats.

27) Stivers stands ready, willing and able to comply with all reasonable requirements for water service to the proposed developments. The Defendant's refusal to sign the requested plats is arbitrary, capricious, unreasonable and constitutes a knowing violation of the law on the part of Defendant and Heilman.

28) The Procedures and Requirements on page two states that "prior to the construction of any water lines which will be connected to the Henry County Water

District No. 2 water system, the developer shall file an application with Henry County Water District No. 2. The application shall include a written request to connect to the Henry County Water District No. 2 system, plans and specifications, and all other items listed in the attached "Submittal Checklist" (emphasis added)." The "Submittal Checklist" requires that "the submission to the district include the subdivision plat of record". A subdivision plat cannot be recorded in the appropriate county clerk's office until it has been approved by the appropriate planning and zoning commission. The Zoning Board will not approve a plat without the signature of the water utility thereon. The District's "Procedures and Requirements" on page three states that the District will not sign a water certification on a plat until the applicant has followed the Procedures and Requirements which, as previously stated, requires the "Submittal Checklist", which in turn requires the final approved subdivision plat of record. These requirements are conflicting and unreasonable and should be set aside by this Commission.

29) The Procedures and Requirements include numerous requirements which are unreasonable if applied to a preliminary subdivision plat, and should be revised accordingly.

30) The Procedures and Requirements states on page seven that no fire hydrants shall be installed except in the industrial park near Campbellsburg. The District has existing fire hydrants in the City of Campbellsburg and elsewhere. The District must approve the use of fire hydrants for the Property or it will be discriminating against the customers located on the Property. This rule is further in violation of the spirit and letter of KRS 74.415(1), which states in pertinent part, "The commissioners or governing body

shall not eliminate fire hydrants from new or extended water lines unless they determine that hydrants are not feasible". See Exhibit L.

WHEREFORE, Stivers respectfully requests:

1) The Commissioners order Defendant to immediately sign the "Certification of Availability of Water Services" on the plats marked as Exhibits J and K, at no cost to Stivers;

2) The Commission order Defendant to either (a) immediately sign the "Certification of Availability of Water Services" on the plats marked as Exhibits G and H, at no cost to Stivers or (b) immediately advise Stivers in writing of the exact requirements for the District to execute same;

3) The Commission order Defendant to either (a) immediately sign the "Certification of Availability of Water Services" on the plat marked as Exhibit C or on a revised version thereof to include only the lots lying on the northeast side of Flood Road, at no cost to Stivers or (b) immediately advise Stivers in writing of the exact requirements for the District to execute same;

4) The Commission prohibit the District from charging Stivers any portion of the cost of the Magruder-Shipman water main regardless of the plat;

5) The Commission change the language of the Procedures and Requirements to require the District to sign on a preliminary plat if the development lies within the District's territory without any further requirements;

6) The Commission order the District to either change the Procedures and Requirements to allow fire hydrants on the water mains along the Property or order the District to remove all fire hydrants everywhere on its system.


7) If the District is unable to provide fire hydrants to the Property, the Commission order the District to turn its lines over to North Shelby Water Company which, with appropriate system upgrades, can provide fire hydrants to this area.

8) If the Commission determines that Heilman and/or the District intentionally violated the law, that the Commission levy fines as appropriate and assess damages against same in favor of Stivers to the extent permitted by law.

9) Any or all other relief to which Stivers is entitled.

Respectfully submitted,

Mathis, Riggs & Prather, P.S.C.

By: 

Donald T. Prather
500 Main Street, PO Box 1059
Shelbyville, Kentucky 40066-1059
Phone: (502) 633-5220
Fax: (502) 633-0667
Attorney for Complainant

EXHIBIT

A

THIS DEED OF CONVEYANCE made and entered into this 11th day of March, 1988, by and between BEN M. POLLARD and JOAN H. POLLARD, his wife, parties of the first part, and BEN M. POLLARD and JOAN H. POLLARD, his wife, Trustees under Declaration of Trust No. 1982-1 dated February 3, 1982, parties of the second part, of 17159 Tam O'Shanter Drive, Poway, California 92064,

W I T N E S S E T H:

THAT for a valuable consideration, receipt of which is hereby acknowledged, first parties have bargained and sold and do hereby grant, alien and convey unto the second parties, their successors or assigns, in fee simple, the following described real estate:

TRACT NO. 1: Situated in Shelby County, Kentucky, and more particularly described as follows:

Beginning at a spike set in the intersection of the centerline of the Magruder-Shipman Road with the north right of way of Kentucky Highway 43, thence with the north right of way of Kentucky Highway 43 (50 feet from and parallel to the center of highway) S 76° 48' 40" W 986.90 feet to an iron pin. Thence S 13° 11' 20" E 20.00 feet to an iron pin. Thence continuing with said right of way (30 feet from and parallel to the center of highway) S 76° 48' 40" W 159.62 feet to an iron pin, S 72° 31' 10" W 197.82 feet to an iron pin, S 69° 16' 50" W 207.04 feet to an iron pin, S 64° 19' 00" W 201.36 feet to an iron pin, S 60° 08' 50" W 199.17 feet to an iron pin, S 56° 54' 30" W 329.03 feet to an iron pin and S 57° 30' 00" W 79.81 feet to an iron pin set at a corner to Gerald Radcliff (D.B. 240, Pg. 251). Thence leaving the north right of way of Kentucky Highway 43 and with the lines of Radcliff N 32° 18' 30" W 150.00 feet to an iron pin (set) and S 51° 48' 30" W 133.50 feet to an iron pin set in the east right of way of the abandoned L & N Railroad. Thence with the east right of way of the abandoned L & N Railroad N 10° 23' 10" W 1,293.44 feet to a post, N 35° 33' 30" E 13.99 feet to a post, and N 21° 26' 40" W 1,167.06 feet to an iron pin set at a corner to Martha O'Nan (D.B. 140, Pg. 420). Thence with the line of O'Nan N 51° 39' E 3,227.41 feet to a post in the line of Mrs. Lillian Zadek. Thence with the line of Mrs. Lillian Zadek S 39° 12' 10" E 1,859.80 to a spike set in the center of Magruder-Shipman Road. Thence with the center of Magruder-Shipman Road S 17° 12' 00" W 913.27 feet to a spike (set) and S 17° 41' 40" W 1,343.95 feet to the point of beginning and containing 221.42 acres, subject to any legal right of way along Magruder-Shipman Road, according to survey made by McGinnis & Associates on February 15, 1988.

TRACT NO. 2: Situated in Shelby County, Kentucky, and more particularly described as follows:

Beginning at an iron pin set in the south right of way of Kentucky Highway 43 corner to Shirley Smither. Thence with the south right of way of Kentucky Highway 43 (30 feet from and parallel to the center of highway) N 56° 56' 50" E 330.52 feet to an iron pin, N 60° 08' 50" E 195.29 feet to an iron pin, N 64° 19' 00" E 196.58 feet to an iron pin, N 69° 16' 50" E 202.75 feet to an iron pin and N 72° 46' 50" E 210.66 feet to an iron pin set at a corner to Charles and Barbara Gathof (D.B. 183, Pg. 321). Thence with the line of Gathof S 40° 51' 10" E

SUE CAROLE PERRY
SHELBY COUNTY CLERK
D.C. 10-23

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10-23

89° 03' 30" E 1,166.77 feet to a post corner to Harold L. Snook (D.B. 161, Pg. 257). Thence with the line of Snook S 09° 52' 40" W 529.97 feet to a spike set in the center of the Flood-Cropper Road. Thence with the center of the Flood-Cropper Road the following calls: N 42° 26' 20" W 63.26 feet to a p.k. nail (set), N 65° 22' 40" W 58.37 feet to a p.k. nail (set), N 79° 34' W 818.95 feet to a p.k. nail (set), N 70° 22' W 111.88 feet to a p.k. nail, N 56° 34' W 73.34 feet to a p.k. nail, N 71° 56' 40" W 110.14 feet to a p.k. nail, N 70° 52' 40" W 149.79 feet to a p.k. nail and N 64° 47' W 223.19 feet to a spike (set), corner to Robert Cain (D.B. 103, Pg. 111). Thence leaving the Flood-Cropper Road and with the line of Cain N 34° 45' 20" E 81.83 feet to a post and N 41° 10' 50" W 781.09 feet to a post corner to Alene Bryant McCowen. Thence with the line of McCowen N 36° 37' 20" W 417.88 feet to a broken post. Thence N 32° 22' 20" W 248.09 feet to an iron pin (set) and N 19° 39' 40" W 251.03 feet to a post corner to Yount and Shirley Smither. Thence with the line of Smither N 61° 39' 50" E 163.99 feet to a post and N 26° 03' 20" W 144.89 feet to the point of beginning and containing 64.59 acres, including 1.17 acres of abandoned railroad right of way and being subject to any legal highway right of way along Flood-Cropper Road, according to survey made by McGinnis & Associates on February 15, 1988.

TRACT NO. 3: Situated in Shelby County, Kentucky, and more particularly described as follows:

Beginning at a spike set in the center of Flood-Cropper Road corner to Lester Bohannon (D.B. 151, Pg. 295). Thence leaving road and with the line of Bohannon N 81° 20' 10" W 1,068.37 feet to an iron pin set in the line of Bohannon corner to Elza C. Raisor (D.B. 214, Pg. 376). Thence with the line of Raisor N 16° 51' E 1,278.41 feet to a post, corner to James Lay (D.B. 174, Pg. 630). Thence with the line of James Lay N 00° 56' E 939.34 feet to a p.k. nail set in the center of Flood-Cropper Road. Thence with the center of the Flood-Cropper Road S 56° 34' E 73.34 feet to a nail, S 70° 22' E 111.88 feet to a nail, S 79° 34' E 818.95 feet to a nail, S 65° 22' 40" E 58.37 feet to a nail, S 42° 26' 20" E 63.26 feet to a nail, S 23° 55' 20" E 72.12 feet to a nail, S 06° 12' 20" E 70.20 feet to a nail, S 17° 00' 40" W 90.59 feet to a nail, S 23° 51' 10" W 275.33 feet to a nail, S 17° 27' 50" W 137.51 feet to a nail, S 10° 47' 20" W 304.86 feet to a nail, S 10° 16' 40" W 364.97 feet to a nail, S 08° 02' 20" W 107.07 feet to a nail, S 01° 16' 50" W 338.91 feet to a nail, S 08° 11' 10" W 129.94 feet to a nail, and S 18° 00' 10" W 198.68 feet to the point of beginning and containing 48.60 acres, including 0.03 acres of abandoned railroad right of way, and being subject to a legal highway right of way along Flood-Cropper Road, according to survey made by McGinnis & Associates on February 15, 1988.

The above described property contains that property conveyed to William H. Pollard by deeds of record in the Shelby County Clerk's Office in Deed Book A-2, Page 162, G-2, Page 191, L-2, Page 224, O-2, Page 137, Q-2, Page 9, T-2, Page 450, X-2, Page 219, Y-2, Page 273, Z-2, Page 14, L-3, Page 386, Q-3, Page 445 and F-4, Page 410. William H. Pollard died intestate in 1901, his wife, Louisa having predeceased him in 1871, and at the time of his

death, he left surviving him the following children as his sole heirs at law: Carrie Pollard, Ben M. Pollard (aka B. M. Pollard), E. T. Pollard, W. B. Pollard and Mary Pollard.

This real estate also includes the same property conveyed to all or some of Carrie Pollard, B. M. Pollard, E. T. Pollard, W. B. Pollard and Mary Pollard, by deeds of record in Deed Book F-4, Page 411, F-4, Page 412, J-4, Page 146, M-4, Page 280, Q-4, Page 448 and S-4, Page 518. Mary Pollard, unmarried, died intestate predeceasing her brothers and sisters, leaving them as her sole surviving heirs. W. B. Pollard died intestate in 1938 and according to the records of the Shelby County Clerk in Will Book 58, Page 525 and 544, he owned a one-fourth (1/4) interest in 349.00 acres, and left surviving him as his sole heirs at law, E. T. Pollard, Carrie Pollard and B. M. Pollard.

E. T. Pollard, Carrie Pollard and B. M. Pollard by their wills of record in Will Book 64, Page 74, Will Book 66, Page 61, and Will Book 66, Page 291, each left their interest in this real estate to the survivors of them, then to Lloyd Pollard and Elvaree Pollard Cull for their joint lives with remainder in fee simple to the first party, Ben M. Pollard. Lloyd Pollard and Elvaree Pollard Cull are now deceased and the fee simple title to this real estate is vested in the first party, Ben M. Pollard.

This conveyance is made subject to all easements and restrictions of record, and subject to applicable zoning regulations.

The 1988 taxes on the above real estate shall be prorated as of date of deed and second parties shall assume and pay all taxes thereafter.

TO HAVE AND TO HOLD the foregoing described real estate together with all and singular the appurtenances thereunto belonging unto the second parties, their successors or assigns, in fee simple, and with covenant of general warranty of title.

IN TESTIMONY WHEREOF, witness the hands of the first parties hereto, this the day and date first above written.

Ben M. Pollard
BEN M. POLLARD

Joan H. Pollard
JOAN H. POLLARD

STATE OF CALIFORNIA
(Individual)

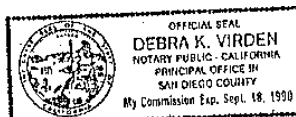
STATE OF CALIFORNIA
COUNTY OF San Diego SS.

On March 11, 1988, before me, the undersigned, a Notary Public in and for said State, personally appeared Ben M. Pollard and Joan H. Pollard

(or proved to me on the basis of satisfactory evidence, to be the person Ben M. Pollard whose name Joan H. Pollard subscribed to the within instrument and acknowledged that they executed the same.

WITNESS my hand and official seal.

Signature *Debra K. Virden*



ATTACHED TO DEED OF CONVEYANCE SIGNED BY BEN M. POLLARD AND JOAN H. POLLARD
ON MARCH 11, 1988

STATE OF KENTUCKY
COUNTY OF SHELBY S.C.W.

J. Sue C. Perry, Clerk of said County Court hereby certify that the foregoing instrument has been duly recorded in Deed Book 249 Page 26 in my said office.

this instrument was prepared by Markers, Riggs & Proctor, P.C., Shelbyville, Kentucky Made D. Deem

3-19-88 *SUE C. PERRY, CLERK*

EXHIBIT

B

CERTIFICATE OF APPROVAL BY UTILITY COMPANIES

We hereby certify that the utility easements are approved as shown, with restrictions listed herein.

By James H. Pollard date 1/15/01
 Western Ky. Gas Co. date 1/15/01 Water Co. date 1/15/01
Shelby Energy date 1/15/01 Sewer Company date 1/15/01
Telecommunications date 1/15/01 Division 1/15/01

The spaces indicated by dashed lines and marked utility easements are hereby reserved for the use of utility companies listed above for utility purposes and telephone and telecommunication lines. For telephone utility purposes, which include 1) the right to construct, maintain, operate, replace, or rebuild pole lines and/or underground cable systems, 2) the right of ingress and egress over all lands to and from pole easements indicated, 3) the right to trim or remove any tree necessary to maintain proper service, and 4) the right to keep said easements free of any structures or obstructions that may create a hazard to the said pole lines or cables. It is understood that as a part of this reservation the owners of the lands, or assigns hereby agree that no excavation will be attempted within the said utility easements except as may be necessary for the installation, maintenance, or repair of the said utility lines. The easements herein defined property owners are to use and enjoy the said lands included in the easement subject to the easements herein but such use shall not interfere with the rights and privileges herein reserved.

CERTIFICATION OF AVAILABILITY OF WATER SERVICES

I hereby certify that the proposed subdivision shows herein lies within the service area of the HENRY COUNTY WATER DISTRICT #2 and said utility has the capacity to supply water to the proposed subdivision, subject to the water distribution system being installed within said subdivision according to the requirements of the Kentucky State Water Requirements Act of 1995.

date 1/15/01 Authorized Representative James H. Pollard

CERTIFICATE OF OWNERSHIP AND DEDICATION

I, James H. Pollard, owner of the property shown herein and that I (we) hereby agree to this plan with our free consent. This plan does not violate any private subdivision restrictions.

PLANNING COMMISSION CERTIFICATION

PLANNING COMMISSION CERTIFICATION: ONE TRACT OF 3.37 ACRES, OWNED BY BEN POLLARD AND JUAN H. POLLARD AND HENRY COUNTY WATER DISTRICT #2, SOUTH DIVISION IS SITUATED IN AN AREA SUITABLE FOR AN ON SITE DISPOSAL. HOWEVER, EACH TRACT REQUIRES AN ON SITE EVALUATION IN ACCORDANCE WITH THE KENTUCKY ON-SITE SEWAGE REGULATIONS. EACH TRACT MUST BE APPROVED FOR AN ON SITE SEWAGE SYSTEM INDIVIDUALLY.

1-29-2001 James H. Pollard
 date 1/15/01 OWNER James H. Pollard

FIRE PROTECTION CERTIFICATE

I hereby certify that the subdivision shown herein lies within the service area of this Fire Department or Fire District and will be serviced by this agency. Additionally, the subdivision hereon meets or exceeds fire protection requirements for the City of Shelbyville or the County of Shelby.

1-29-2001 James H. Pollard
 date 1/15/01 Fire Department James H. Pollard

SURVEY NOTES: THIS SURVEY WAS MADE USING THE RANDOM TRAVERSE METHOD. THE UNADJUSTED CLOSURE SUBSTANTIALLY MEETS MINIMUM REQUIREMENTS FOR LAND SURVEYS. BEARINGS AND DISTANCES HAVE BEEN ADJUSTED FOR CLOSURE. BEARINGS ARE ASSUMED 1/2" REBAR WITH 10" CAP. POLLARD FARM - SOUTH DIVISION CONSTRUCTION NO ATTEMPT WAS MADE TO LOCATE UNDERGROUND UTILITIES. COIL BLD. AT 1800-730-607, TOLL FREE, FOR AN ACCURATE LOCATION OF UNDERGROUND UTILITIES. TITLE REPORT NOT FURNISHED. PROPERTY IS SUBJECT TO UTILITIES, EASEMENTS AND OTHER MATTERS NOT SHOWN HEREON.

CERTIFICATE OF APPROVAL FOR RECORDING

I hereby certify that the plan shown herein has been found to comply with the subdivision regulations for Shelby County with the exception of such violations, if any, as are noted in the minutes of the Planning Commission and that it has been approved for recording in the office of the County Clerk.

date 1/15/01 Chairman of Planning Commission James H. Pollard

ROADWAY ENTRANCE CERTIFICATE

I HEREBY CERTIFY THAT AN ENTRANCE FROM THE PROPOSED DEVELOPMENT WILL BE GRANTED ONTO THE COUNTY ROAD ON THE PLAN DESCRIBED HEREON. HOWEVER, AN ENTRANCE PERMIT FOR EACH LOT WILL BE REQUIRED AFTER STRUCTURE LOCATION IS ESTABLISHED.

1-29-2001 James H. Pollard
 date 1/15/01 COUNTY ENGINEER James H. Pollard

CERTIFICATE OF ACCURACY

I hereby certify that this survey was made by me or under my direct supervision and complies with the standards of practice for surveying in the state of Kentucky as set forth in KRS 18.150.

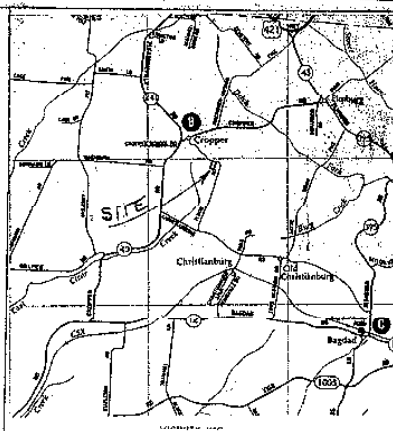
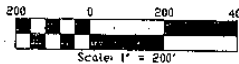
CERTIFICATE OF APPROVAL FOR ELECTRIC SERVICE

I hereby certify that this development lies in the service area of KENTUCKY UTILITIES CO. and SHELBY ENERGY CO. and said utility has the capacity to supply adequate electric service to said development.

1-29-2001 James H. Pollard
 date 1/15/01 AUTHORIZED REPRESENTATIVE James H. Pollard

○ = EXISTING CORNER MONUMENT AS NOTED.

● = 1/2" REBAR WITH 10" CAP 2269 SET THIS SURVEY.



COUNTRY HEADQUARTERS
 TRACT #1
 PLAT CAR. 3 SLIDE 1708
 JAMES LAY
 PATRICIA LAY
 863 CROPPER ROAD
 PLEASANTVILLE, KY. 40057

REMAINING PROPERTY
 OF POLLARD (SEE DB M4 PG 280)
 43.096 ACRES

LOT NUMBER NOTE:
 LOT NUMBERS 1 THROUGH 16 SEE PLAT OF
 POLLARD FARM-NORTH DIVISION RECORDED
 IN PLAT CAR. 3 SLIDE
 LOT NUMBERS 17 THROUGH 24 AND 26
 THROUGH 32 SEE PLAT OF POLLARD
 FARM-SOUTH DIVISION (RECORDED IN
 PLAT CAR. 3 SLIDE)

WHEEL D. SPOCK FAMILY
 LIMITED PARTNERSHIP
 618 N. JEFFERSON ST.
 LOUISVILLE, KY. 40003

BUYER'S NOTE: THE TRACTS OF LAND SHOWN HEREON ARE LOCATED IN AN AGRICULTURAL ZONE. THE TRACTS ARE SUBJECT TO AGRICULTURAL ACTIVITIES ON ADJOINING FARMS WHICH INCLUDE ORDER ASSOCIATED WITH AGRICULTURAL CHEMICALS AND ARE NOT ASSOCIATED WITH NORMAL FARMING PRACTICES.

**PRELIMINARY
 DRAFT**

NOT FOR RECORDING

SOURCE: DB M-4 PG 280 & DB 249 PG 026

McGINNIS & ASSOCIATES
 PROFESSIONAL LAND SURVEYORS
 111 MIDLAND BOULEVARD-PO BOX 624
 SHELBYVILLE, KY. 40066-0624
 (502) 633-5100

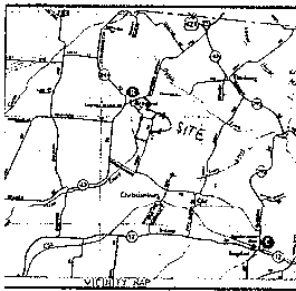
DATE: JAN. 28, 2001 SCALE: 1"=200'

MINOR PLAT
 POLLARD FARM-SOUTH DIVISION
 FLOOD ROAD
 SHELBY CO., KY.

OWNER/DEVELOPER:
 BEN H. POLLARD
 JUAN H. POLLARD, TRUSTEES
 17159 TAM O'SHANTER DRIVE
 PEWAY, CALIFORNIA 92654

EXHIBIT

C



- Q - EXISTING LARGER PROPERTY AS NOTED
- Q - 1/2" BEAR WITH 10' CAP 200'
- Q - RANDOM TRAVERSE POINT
- Q - UTILITY POLE

CERTIFICATE OF APPROVAL BY PLATT COMPANIES

We hereby certify that the plat, documents and approvals are shown with the following exceptions:

1. The plat is not a true and correct copy of the original.

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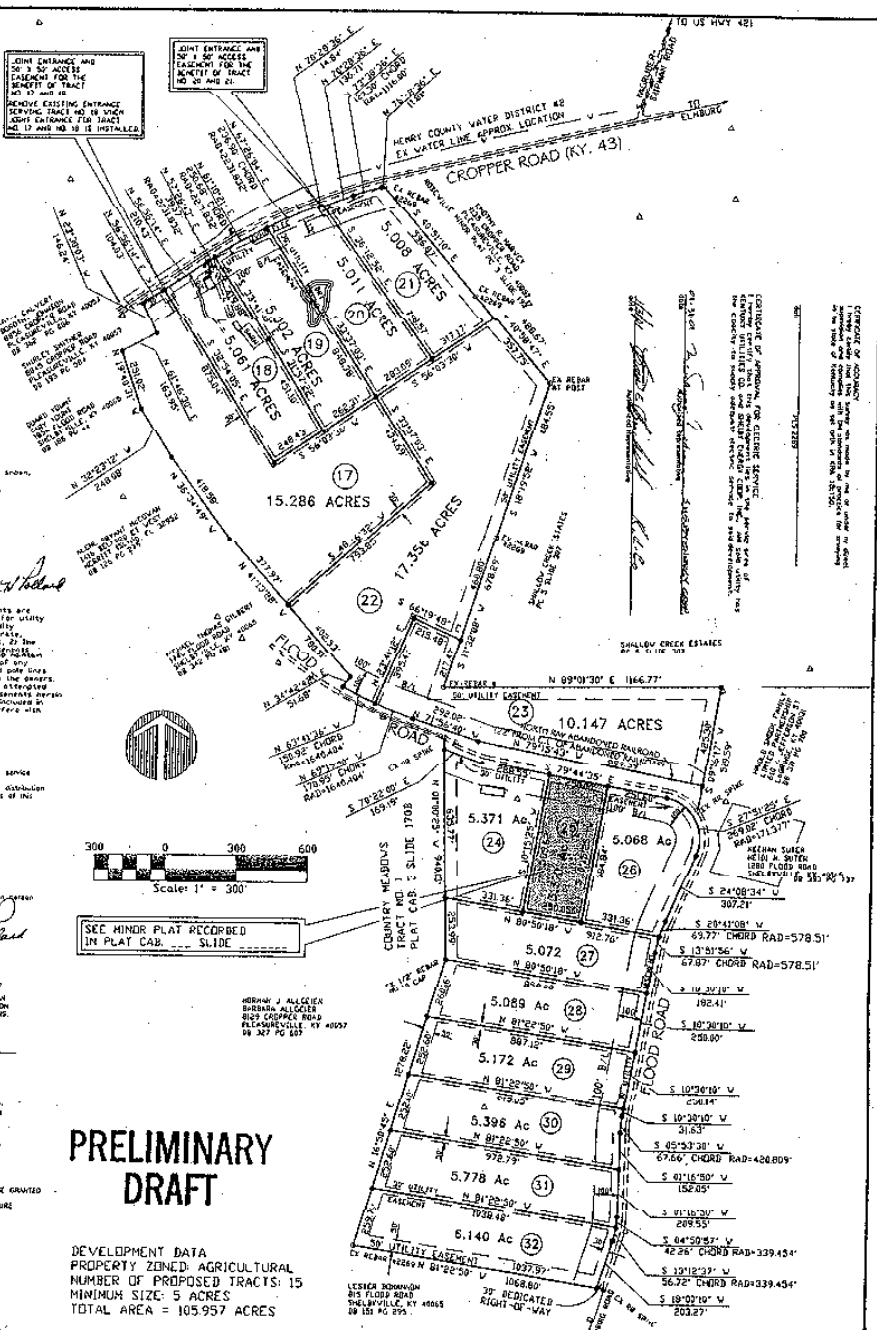
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PRELIMINARY DRAFT

DEVELOPMENT DATA
PROPERTY ZONED AGRICULTURAL
NUMBER OF PROPOSED TRACTS: 15
MINIMUM SIZE: 5 ACRES
TOTAL AREA = 105.957 ACRES

NOT FOR RECORDING

FINAL PLAT AGRICULTURAL DIVISION

DATE BY: CBM JAN. 25, 2001 RECS: DE 14 PM 2001 DE 14 PM 2001 DE 14 PM 2001 DE 14 PM 2001	SURVEY FOR JOAN H. POLLARD, TRUSTEES 17158 TAM O'SHANTER DRIVE POWAY, CALIFORNIA 92064	POLLARD FARM-SOUTH DIVISION CROPPER ROAD (KY. 43) & FLOOD ROAD SHELBY COUNTY, KENTUCKY	PREPARED BY: MCGINNIS & ASSOCIATES PROFESSIONAL LAND SURVEYORS 111 MIDLAND BLVD-PO BOX 624 SHELBYVILLE, KY. 40066-0624 (602) 633-5100
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EXHIBIT

D

EXHIBIT

E

HENRY COUNTY
No. 2
WATER DISTRICT

January 25, 2001

Ben M. and Joan H. Pollard
17159 Tam O'Shanter Drive
Poway, California 92064

Ref: Hydraulic Study on Development

Dear Mr. and Mrs. Pollard:

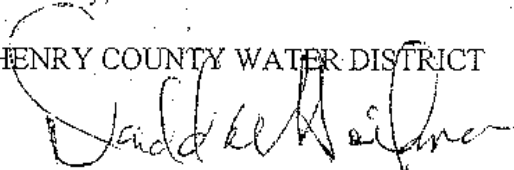
The plat surveyed by McGinnis & Associates was presented to our utility on January 24, 2001 to sign for availability for water service.

Our utility requires that a hydraulic feasibility study first be performed by our engineer, C.T.I. of Lexington, KY to ascertain if flow of water service is adequate for said development.

As per the results of the above test, we will either sign off on same or require some improvements to be made to offset the impact the development has on our system. We would appreciate your signing the enclosed and returning same along with your check in the amount of \$300.00 for performing the study.

Sincerely,

HENRY COUNTY WATER DISTRICT


Donald W. Heilman, Chief Operations Officer

Enclosure

EXHIBIT

F

HENRY COUNTY
No. 2
WATER DISTRICT

ANALYSIS REQUEST FORM FOR CONTRACTOR

I request preliminary information regarding the hydraulic feasibility of providing water service to a proposed residential development located Cropper Road (KY 43) and Flood Rd. I acknowledge that it is my responsibility to provide an accurate map of the area to be developed, including reference distances to highway intersections, and showing the proposed location and number of all lots to be served. I submit a deposit of \$300.00 toward the engineering expense of hydraulic analysis. If the actual expenses are less or more than \$300.00, I will be refunded or billed the difference.

I understand that the hydraulic analysis will be preliminary only, not a guarantee of service. I understand that HCWD2 cannot approve water service (or certify final plats) until a project has fully complied with the HCWD2 Procedures and Requirements for the Development of Water Line Extensions. I understand that even after HCWD2 approves a project, the developer still needs to obtain final authorization from the Kentucky Division of Water

I further understand that the availability of water service may be contingent upon paralleling existing lines with larger diameter lines, or other system improvements. In such cases, the developer may be required to share in these expenses to the extent necessary to offset the hydraulic impact of his development.

01/31/2001
Date
Ben M. Pollard
Signature

Address

COL. (RET.) & MRS. BEN POLLARD
17159 TAM O'SHANTER DR.

BEN M. POLLARD COL. (RET.)
MRS. BEN M. POLLARD
17159 TAM O'SHANTER, PH. 858-485-8080
POWAY, CA 92064

18-49 76
1220
0761082593

2558

DATE 1/31/01

Henry County No. 2 Water District \$300.00
Three Hundred & no/100
DOLLARS

UNION BANK OF CALIFORNIA
RANCHO BERNARDO #74
1880 BERNARDO CENTER DR. SAN DIEGO, CA 92128
800.238.4485

P. O. BOX 21

EXHIBIT

G

EXHIBIT

H

FILE NAME: C:\ADDM\SUBMIT\PLAT_FLOODRD SOUTH.DWG

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BY: [Signature]

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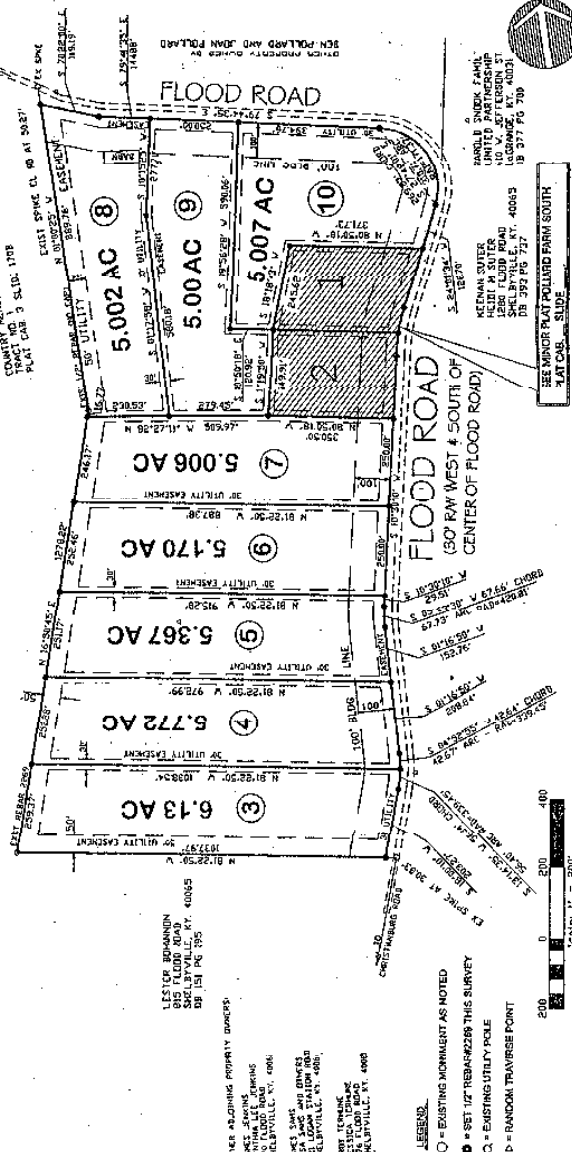
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BY: [Signature]

AGRICULTURAL DIVISION PLAT POLLARD FARM-SOUTH DIVISION FLOOD ROAD-SHELBY CO., KY.

SURVEY NOTES:
CLOSURE SUBSTANTIALLY MEETS MINIMUM REQUIREMENTS FOR LAND SURVEYS. BEARINGS AND DISTANCES HAVE BEEN ADJUSTED FOR CLOSURE. BEARINGS ARE ASSUMED. 1/2" REBAR THIS DRAWING IS NOT FOR CONSTRUCTION. NO ATTEMPT WAS MADE TO LOCATE UNDERGROUND UTILITIES. TITLE REPORT NOT FURNISHED. PROPERTY MAY BE SUBJECT TO UTILITIES, EASEMENTS AND OTHER MATTERS NOT SHOWN HEREON.
UTILITY EASEMENT NOTE: NEW THIRTY (30') FEET WIDE UTILITY EASEMENTS ARE CENTERED ALONG THE FLOOD ROAD. THE EASEMENTS ARE PLACED ALONG AND PARALLEL TO THE DEDICATED RIGHT OF WAY ALONG FLOOD ROAD. A NEW THIRTY (30') FEET WIDE UTILITY EASEMENT IS PLACED ALONG AND PARALLEL TO THE DEDICATED RIGHT OF WAY ALONG FLOOD ROAD AT SHOWN HEREON.

DEVELOPMENT DATA:
PROPERTY ZONE: AGRICULTURAL
NUMBER OF PROPOSED TRACTS: 8
MINIMUM TRACT SIZE: 1 ACRES
TOTAL AREA: 42.461 ACRES
NORMAN J. ALGER
BARBARA ALGER
805 CHURCH ROAD
SHELBYVILLE, KY 40087
DS 327 PG 607



SEE MINOR PLAT POLLARD FARM SOUTH
1 AT C&S SLIDE

AGRICULTURAL DIVISION
POLLARD FARM-SOUTH DIVISION
FLOOD ROAD-SHELBY CO., KY.

AGRICULTURAL DIVISION
POLLARD FARM-SOUTH DIVISION
FLOOD ROAD-SHELBY CO., KY.

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FLOOD ROAD-SHELBY CO., KY.

AGRICULTURAL DIVISION
POLLARD FARM-SOUTH DIVISION
FLOOD ROAD-SHELBY CO., KY.

EXHIBIT

I

LINE IMPROVEMENT CONTRACT

Whereas, the Henry County Water District #2 (hereinafter the "District") is a non-profit public utility engaged in providing drinking water for public consumption in Henry, Oldham, Trimble, Shelby and Carroll Counties in the Commonwealth of Kentucky;

And Whereas, the District is regulated by the Kentucky Public Service Commission and State Division of Water;

And Whereas, a need has arisen to dedicate a certain portion of the hydraulic capacity of the water distribution system to allow the development of certain parcels of real estate located along or near Cropper Road and Magruder-Shipman Road in Shelby County, Kentucky;

And Whereas, said properties are to be developed by the individual named hereinafter who is desirous of having said hydraulic capacity dedicated by the District in order to allow service to the areas to be developed;

And Whereas, it is understood that said hydraulic capacity has resulted from the Magruder-Shipman Line Improvement, a project consisting of approximately 14,000 feet of six (6) inch line recently installed by the District at a cost of \$114,064.00;

And Whereas, the proposed development has been evaluated by the District's engineers and determined to represent 7.19% of the hydraulic capacity of said Line Improvement;

NOW THEREFORE, this Line Improvement Contract made and entered into this _____ day of April, 2001, by and between the Henry County Water District #2, P.O. Box 219, Campbellsburg, Kentucky 40011 and Ben Pollard, (hereinafter the "Developer"),

WITNESSETH: that for and in consideration of the mutual promises and covenants set out hereinafter, the parties hereto agree as follows:

1. The Developer shall reimburse the District for 7.19% of the cost of the Magruder-

Shipman Line Improvement, said amount being \$8201.20. The purpose of this reimbursement is to offset the hydraulic impact of the proposed development known as Pollard Farm - North Division, containing 15 unserved lots, located near Cropper, in Shelby County, Kentucky.

2 The Magruder-Shipman Line Improvement shall at all times be owned in its entirety by the District. The District shall have the right to extend these facilities without compensation to the Developer or the consent of the Developer.

3. It is further understood that no final certification of water availability shall be made by the District until all necessary approvals including approval of this contract are received from the Public Service Commission, the Division of Water and any other necessary and appropriate regulatory agencies, and until the terms of said reimbursement are fulfilled.

WITNESS the hands of the undersigned on the date first above written.

HENRY COUNTY WATER DISTRICT #2

DONALD W. HEILMAN
CHIEF OPERATING OFFICER

BEN POLLARD
7159 Tam O'Shanter Drive
Poway, California 92064

THIS INSTRUMENT PREPARED BY:

D. BERRY BAXTER
ATTORNEY AT LAW
300 EAST MAIN STREET
LAGRANGE, KENTUCKY 40031
(502) 225-0050

D. BERRY BAXTER

C:\MyFiles\HCWD #2\Pollard line improvement contract.wpd

EXHIBIT

J

EXHIBIT

K

EXHIBIT

L

PROCEDURES AND REQUIREMENTS
FOR THE DEVELOPMENT OF WATER LINE EXTENSIONS TO BE CONNECTED
TO THE HENRY COUNTY WATER DISTRICT NO. 2 SYSTEM

November 1997

(Revision 1.0) January 1999

(Revision 2.0) March 2000

RECEIVED

APR - 7 2000

PUBLIC SERVICE
COMMISSION

INTRODUCTION

This document is a guide for the extension of water lines to serve existing and new development. This document outlines the policies and procedures as approved by the Henry County Water District No. 2 (HCWD2) Board. The intent is to establish uniform policies and procedures for the construction and acceptance of water lines that will provide efficient, reliable service and are compatible with the existing water system.

HCWD2 reserves the right to add to these procedures as may be necessary in order to achieve the required service to its customers.

LINE EXTENSIONS TO EXISTING DEVELOPMENT

The extension of water lines to existing potential customers is governed by HCWD2's *Water Main Extension and Refund Policy* which is available from HCWD2. Any costs related to the design of a water line extension to an existing home shall be included in the cost of the extension and shall be paid in accordance with Administrative Regulation 807 KAR 5.066, Sections 11(1) and (2).

LINE EXTENSIONS FOR NEW DEVELOPMENTS

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

Procedures

General

The following is a list of procedures to be followed by a developer who wishes to design, finance, and construct a water line that will connect to, or become a part of, the HCWD2 system.

MAY 07 2000

PURSUANT TO 807 KAR 5.011,
SECTION 9(1),
BY: Sharon Bell
PUBLIC SERVICE COMMISSION

Procedures and Requirements for the Development of Water Line Extensions
Henry County Water District No. 2

procedures must be followed in order for the proposed water line to be considered for acceptance and connection to the HCWD2 system.

Preliminary Review

The developer may, at his option, make a request to HCWD2 for a preliminary review of the feasibility of connecting to the HCWD2 water system at a certain point in the system. The developer shall provide the desired point of connection, the number of potential customers, and the lowest and highest elevations (above sea level) of the development.

Application

Prior to the construction of any water lines which will be connected to the HCWD2 water system, the developer shall file an application with HCWD2. The application shall include a written request to connect to the HCWD2 system, plans and specifications, and all other items listed in the attached submittal checklist.

The application will be reviewed by HCWD2 staff and HCWD2's consulting engineer. The application must be reviewed and approved, in writing, prior to construction.

Plans

Plans shall be developed in accordance with, and make reference to, the most current edition of HCWD2's *Standard Specifications and Drawings for Water Line Extensions*. Plans shall also comply with all the design criteria contained herein. The most current edition of HCWD2's *Standard Specifications and Drawings for Water Line Extensions* is dated March 1997 and is available at the District Office in Campbellsburg.

Plans submitted to HCWD2 for review shall be accompanied by a certification statement signed by the design engineer (a Professional Engineer registered in the state of Kentucky) stating that the plans for the proposed water facilities comply with the requirements of HCWD2.

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MAY 07 2000

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)

BY: *Stephan B. B. B.* ^{March 2000}
SECRETARY OF THE COMMISSION

Procedures and Requirements for the Development of Water Line Extensions
Henry County Water District No. 2

Completed plans shall be submitted to HCWD2 for review and approval. Upon approval by HCWD2, the developer shall submit the plans, along with HCWD2's letter of approval, to the Kentucky Division of Water (KDOW) for review and approval. The developer shall pay the KDOW review fee. The developer shall provide one original copy of the approved plans (stamped "approved" by the KDOW) to HCWD2 before construction may begin.

Plat Certification Requirements

It is the policy of the Henry County Planning Commission that water certifications on plats represent an unconditional guarantee of water service. Prior to signing this plat certification, HCWD2 requires the following:

1. The design plans of the proposed lines have been approved by Commonwealth Technology, Inc. in accordance with current HCWD2 "Standard Plans and Specifications" and "Procedures and Requirements for Water Line Extensions."
2. The developer has obtained a project approval letter from the Kentucky Division of Water.
3. The developer has posted performance and payment bonds in the estimated amount of construction to ensure HCWD2 can complete the project if the developer fails to install water lines in an acceptable and timely manner.

Construction

A preconstruction meeting shall be held at HCWD2's office prior to beginning construction. The developer, contractor, and HCWD2 shall be present.

Shop drawings, which have been reviewed and approved by the design engineer, shall be submitted to HCWD2 on all material to be used for the proposed water facilities. The developer shall not order or install any materials until the shop drawings are approved by HCWD2. HCWD2 shall be notified when materials are delivered to allow for inspection prior to installation.

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Procedures and Requirements for the Development of Water Line Extensions
Henry County Water District No. 2

The developer shall coordinate the times for tie-ins with HCWD2 to minimize disruption of service to existing customers. The tie-ins shall be made either during low usage periods or by means of tapping valves, as determined by HCWD2.

During construction, HCWD2 will perform or cause to be performed such inspection as it deems necessary to ensure proper installation. All construction of the proposed water facility shall be subject to HCWD2 inspection. The developer shall notify HCWD2 at least 24 hours before the actual work commences and shall keep HCWD2 informed as to the progress of the project in order to allow HCWD2 a reasonable opportunity to inspect construction before backfilling. Should failure to keep HCWD2 so notified and informed result in covering of work before HCWD2 has a reasonable opportunity to inspect, such failure may result in such tests or inspections (including uncovering of the work) as may be necessary to satisfy HCWD2 that the installation meets the required specifications. Work completed without inspection by HCWD2 will not be accepted.

The developer shall send a certified letter, with a copy to HCWD2, to the owners/buyers of each lot in the development notifying them of the need to install a pressure regulating device in their home plumbing system.

The developer shall ensure that the construction of the proposed water lines stays within the limits of all easements and right-of-ways.

The developer shall provide traffic control and other safety precautions as required by the Kentucky Transportation Cabinet.

The new water facilities shall be pressure tested as required in HCWD2's *Standard Specifications and Drawings for Water Line Extensions*.

The new facilities shall be disinfected as required in HCWD2's *Standard Specifications and Drawings for Water Line Extensions*. Laboratory test results meeting KDOW compliance criteria shall be provided to HCWD2 prior to placing them in service.

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Warranty Bond

A fully executed Warranty Bond shall be provided by the developer. This bond, on a form to be provided by HCWD2, which is attached and made part of this document, shall state that the developer will provide a one-year warranty period for the proposed water facilities and reimburse HCWD2 for all service, maintenance, and replacement of the facilities during the warranty period. The one-year warranty period shall begin on the date of the final acceptance of the facilities by HCWD2. Upon final acceptance by HCWD2, the developer shall agree to relinquish the rights to the water facilities so that it shall become the property of HCWD2. HCWD2 shall maintain the water facilities thereafter and shall have the rights to connect new users to the line or build extensions thereto.

The Warranty Bond shall be in the following amounts based on the length of the line extension:

<u>Bond Amount</u>	<u>Line Extension Length (total)</u>	
\$10,000	0 to 2 miles (10,560 feet)	
\$20,000	2.01 to 4 miles (21,120 feet)	
\$30,000	4.01 to 6 miles (31,680 feet)	PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE
\$50,000	6.01 to 10 miles (52,800 feet)	
Negotiated	over 10 miles	MAY 07 2000

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SECTION 9(1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

Final Acceptance

When the construction is complete, the developer's design engineer shall certify that he has observed the construction of the project to the extent necessary to state that the project was constructed in accordance with the approved plans and specifications and the requirements of HCWD2 as listed herein. The developer's design engineer shall also submit this certification letter, along with signed, stamped, accurate as-builts, to the KDOW.

Procedures and Requirements for the Development of Water Line Extensions
Henry County Water District No. 2

Full-size reproducible as-built drawings (on mylar drawing media) shall be provided for the entire completed water facilities.

A unit price summary of the actual construction costs for the facilities shall be provided.

If all items are completed and satisfactory to the HCWD2 staff, the HCWD2 Board will approve and accept the facilities as requested by the developer. The developer will be notified of this approval in writing.

Fees

1. HCWD2 has been authorized by the Public Service Commission to assess developers who construct water main extensions to proposed real estate subdivisions a fee equal to its actual cost of design review and inspection of such extensions.
2. HCWD2 shall, upon request, provide the developer with a statement that individually lists all costs incurred for the water main extension.
3. When determining any reimbursement required by Administrative Regulation 807 KAR 5:066, Section II (3), this fee shall be included in the total cost of the water main extension.
4. The fee for a copy of HCWD2's *Standard Specifications and Drawings for Water Line Extensions* is \$30.00.

MINIMUM DESIGN CRITERIA

All designs shall comply with HCWD2's *Standard Specifications and Drawings for Water Line Extensions*.

The following is a list of minimum design criteria required of any water facility to be approved to connect to the HCWD2 system.

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BY: *Stephen D. Bell*

SECRETARY OF THE COMMISSION
March 2000

Procedures and Requirements for the Development of Water Line Extensions
Henry County Water District No. 2

- Pipe size and material shall be as determined by the District consistent with state of the art engineering practices. PVC pipe shall be a minimum of SDR 17 (Class 250). All pipelines shall be a minimum of 6-inch diameter unless a 4-inch diameter is judged hydraulically adequate by the District on a case by case basis.
- All fittings shall be ductile iron (Class 350).
- No fire hydrants shall be allowed to be installed in any proposed water facility except in the industrial park near Campbellsburg.
- Gate valves shall be spaced at a maximum of ½ mile and located at the edge of fence lines, driveways, etc. Gate valves shall also be provided at all branch lines and at the tie-in to the existing line.
- The maximum working pressure shall not be more than two-thirds of the pressure rating of the pipe.
- Combination air release valves shall be located at significant high points.
- Casing pipes shall be sized to accommodate the next higher diameter carrier pipe. The casing pipe shall be placed a minimum of five (5) feet past the ditch or toe-of-slope, or as required by Kentucky Transportation Cabinet.
- Blowoffs shall be placed at the end of all lines.

ATTACHMENTS

A1 Submittal Checklist for Application to Connect to the HCWD2 System

A2 Warranty Bond

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PURSUANT TO 807 KAR 5011,
SECTION 9 (1)

BY: Stephan D. Bui
SECRETARY OF THE COMMISSION

SUBMITTAL CHECKLIST
FOR APPLICATION TO CONNECT TO
THE HENRY COUNTY WATER DISTRICT NO. 2 SYSTEM

November 1997

(Revision 1.0) January 1999

(Revision 2.0) March 2000

The following is a checklist of items to be reviewed by Henry County Water District No. 2 (HCWD2) prior to approval of any application for construction of any water facilities that are to become a part of, or be connected to, the HCWD2 water system. All items of the checklist must be reviewed and approved prior to construction. Additional information may be requested by HCWD2 if deemed necessary for a complete review of the proposed application.

- ☐ A written description of the proposed work and the type or types of development planned.
- ☐ Complete plans signed and stamped by a Professional Engineer registered in Kentucky. Plans to be in the format of HCWD2's "Standard Drawings" (Sample Sheets 1-5) and contain all information required therein.
- ☐ A certification statement signed by the design engineer (a Professional Engineer registered in the state of Kentucky) stating that the plans and specifications of the proposed water facilities comply with the requirements of the Henry County Water District.
- ☐ The following information which will be used by HCWD2 to conduct a KYPIPE computer analysis of the proposed facilities to verify that they are compatible with the HCWD2 water system and HCWD2 has the capacity and pressure to serve the proposed extension:

- The subdivision plat of record.

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- 1" = 500' map of the area of concern with all proposed water facilities clearly indicated. This may be shown on the plat map.

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- Indicate size and type of all pipes for the proposed water facilities.

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SECTION 9 (1)

- Indicate the ground surface elevation (above sea level) of all pipe junction points, high points, and low points.

By: Stephan O. Bell
SECRETARY OF THE COMMISSION

Submittal Checklist for Application
Henry County Water District No. 2

- List and show the location of the maximum number of potential users or customers for the proposed water facilities.
- Provide an estimate of the water demand of the proposed development if it is other than residential.
- ☐ Easements for the proposed water facilities. The easements shall have a minimum width of 15 feet. Easements may be provided on a properly recorded subdivision plat or on individual signed forms using the "Sample Conveyance" available from HCWD2.
- ☐ A copy of all necessary permits, obtained by the developer, from the Kentucky Transportation Cabinet, County, Railroad, etc., as applicable.
- ☐ A statement of indemnification has been provided. The developer shall absolve, indemnify, and hold harmless HCWD2, their engineer, and their employees and agents of all liability from the construction and installation of the proposed water facilities and from the operation of the water facility during the one year warranty period.
- ☐ A fully executed Warranty Bond.
- ☐ A detailed unit price estimate of construction costs.
- ☐ The application fee has been enclosed.

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PURSUANT TO 807 KAR 5.011,
SECTION 9 (7)

BY: Stephan B. Bui
SECRETARY OF THE COMMISSION

WARRANTY BOND

KNOW ALL MEN BY THESE PRESENTS, that _____,
_____, as Contractor,
hereinafter called "Principal," and _____,
a corporation, organized and existing under the laws of the
State of _____, with principal offices at
_____, as
Surety, hereinafter called "Surety," are held and firmly bound
unto the Henry County Water District No. 2 (HCWD2)
as Oblige, hereinafter called "Obligee," in the amount of
_____ Dollars (\$ _____), for the
payment of which, well and truly to be made, we hereby
jointly and severally bind ourselves, our heirs, executors,
administrators, successors and assigns firmly by these
presents.

WHEREAS, the Principal has dedicated (Line Extension),
hereinafter called the "Project," to Oblige, and Oblige has
accepted said Project on _____, 2000,

NOW, THEREFORE, THE CONDITION OF THE ABOVE
OBLIGATION IS SUCH that, if the Principal shall well and
faithfully do and perform the required maintenance and shall
indemnify and save harmless the Oblige against all claims,
loss or damage, and expenses of reconstruction or additional
work required to restore the Project to its acceptable
condition within a period of one (1) year from the date of
acceptance by Oblige of the Project, then this obligation
shall be void; otherwise, it shall remain in full force and
effect.

No right of action shall accrue on this Bond to or for the use
of any person or corporation other than the Oblige named
herein or the heirs, executors, administrators, successors, or
assigns of the Oblige.

Should any proceedings be necessary to enforce this Bond,
such sum as the Court may determine to be reasonable shall
be allowed to Oblige as attorney's fees, in addition to other
sums found due.

In the event that any actions or proceedings are initiated with
respect to this Bond, the parties agree that the venue thereof
shall be _____ County, State of Kentucky.

IN TESTIMONY WHEREOF, said Principal has signed this
instrument at _____, Kentucky, in person or by
agent duly thereunder authorized, and said Surety has caused
its name to be hereunto signed by its duly authorized agent
and its corporate seal hereto affixed, this day of _____
_____, 2000.

CONTRACTOR AS PRINCIPAL

Company: _____ (Corp. Seal)

Signature: _____

Name and Title: _____

SURETY

Company: _____ (Corp. Seal)

Signature: _____

Name and Title: _____

ATTORNEY-IN-FACT

Company: _____ (Corp. Seal)

Signature: _____

Name and Title: _____

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PURSUANT TO 807 KAR 5:011.
SECTION 9 (1)

BY: Stephen D. Bell
SECRETARY OF THE COMMISSION

EXHIBIT

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94 C.J.S., Waters,

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system, or both, regardless of whether or not such water district operated by said board of commissioners has or will acquire any ownership rights in such systems to be so operated, upon such terms and conditions as such board of commissioners may deem appropriate, with or without any consideration being paid to or received by such water districts, other than the general benefit which may accrue to the water district from having more water or sewer customers and consequent increased use of water or sewer services.

(Enact. Acts 1962, ch. 152, § 4; 1966, ch. 146, § 1 (1).)

Collateral References. 94 C.J.S., Waters,
§ 236.

74.415. Commissioners may consider installation of fire hydrants on new or extended water lines.

- (1) The commissioners of a water district, or the governing body of a water association referred to in KRS 74.012(1), in order to provide adequate means of fire protection, may consider the installation of fire hydrants on new or extended water lines within their area. They may investigate the availability of supplementary funding to pay the incremental costs of line sizing and hydrant installation. The commissioners or governing body shall not eliminate fire hydrants from new or extended water lines unless they determine that hydrants are not feasible. Their analysis shall include consideration of the incremental costs of adequately sized pipe and associated pumps and towers, and the benefits of real estate development, water sales, the availability of fire protection insurance, and the reduced fire insurance premiums which may result from the installation of hydrants at specified intervals.
- (2) If a private real estate subdivision developer has not included adequately sized pipe and fire hydrants in his development plan, the commissioners of a water district or the governing body of a water association which has the capacity to supply adequate water for fire hydrants shall require, at the time the developer applies for permission to hook into the district's water lines, an analysis by the developer of the incremental cost of hydrants and piping adequately sized for hydrants, the effect of hydrants on the cost and availability of fire protection insurance, and conclusions as to why the installation of hydrants is not feasible.

(Enact. Acts 1966, ch. 146, § 1 (2); 1992, ch. 122, § 2, effective July 14, 1992.)

74.416. Approval of sanitary sewer system project in Jefferson County.

Before any water district in a county containing a city of the first class shall undertake the construction of a sanitary sewer system, such district shall first obtain the written approval of whatever agency of the county, if any, by other statute, possesses countywide authority over sanitary sewer systems.

(Enact. Acts 1962, ch. 152, § 5.)